

**Report on Audit of Timekeeping Practices
for Fiscal Year 2000**

March 2003

Reference Number: 2003-1C-062

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 4, 2003

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

FROM: Daniel R. Devlin
Assistant Inspector General for Audit (Headquarters Operations
and Exempt Organizations Programs)

SUBJECT: Report on Audit of Timekeeping Practices for Fiscal Year 2000
(Audit #200310002.026)

The Defense Contract Audit Agency (DCAA) performed a review of the contractor's timekeeping practices. This review was performed as part of the DCAA's comprehensive audit of the contractor. The purpose of the review was to evaluate the contractor's timekeeping system as a basis to provide integrity and reliability of the labor costs incurred, accumulated, and reported in the performance of government contracts.

The DCAA indicated that the contractor's timekeeping practices are adequate. However, the DCAA noted matters involving the contractor's timekeeping practices which, although not considered to be significant deficiencies at this time, were communicated to the management of the contractor.

This DCAA report was issued in November 2000, however, the Treasury Inspector General for Tax Administration (TIGTA) did not receive the report until February 2003. The Internal Revenue Service (IRS) previously received a copy of the report directly from the DCAA. We are transmitting the report to you to enable the IRS to track any financial accomplishments derived from negotiations with the contractor based on the results of this DCAA report.

The information in this report should not be used for purposes other than that intended without prior consultation with the TIGTA regarding its applicability.

If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director, at (202) 927-7077.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

The TIGTA seal was removed due to its size.